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division of community services commerce matters



September, 2003

Selkirk Circle

Paul Govig, Director of Division of Community Services, commented on the development of Selkirk Circle Housing project during the ribbon cutting in Grand Forks. "Selkirk Circle provides benefits to the community on several levels," Govig said. "At its most basic level, it adds to the community's stock of affordable housing. Since it's likely that homes which are being built today will still be occupied fifty years from now, the focus on energy efficiency up front will have long term benefits for future residents. In providing affordable housing, the project has involved cooperation by numerous governmental groups all working together."

The Selkirk Circle Twin Homes were conceived in 2001 after a severe winter and economic factors sent utility costs through the roof for many low and moderate income households. The Board and Staff of the Eastern Dakota Housing Alliance determined that energy efficiency should be a priority in its affordable housing developments.

At the same time, the City of Grand Forks was facing a shortage of affordable housing for entry level buyers. The City's Urban Development department helped the EDHA identify land in a cul-de-sac called Selkirk Circle that was ready to build on. The EDHA applied for CHDO funds from the ND Department of Commerce, Division of Community Services (DCS) and for HOME funds from the City of Grand Forks in order to purchase land and build eight highly energy efficient homes. The DCS also had an energy efficiency program used in conjunction with HOME and CDBG projects which helped cover the added costs of the energy efficiency measures.

Another valuable contribution by the DCS energy staff was to put EDHA in contact with the Building America program, a joint venture of the US Environmental Protection Agency (EPA) and Department of Energy (DOE).

This program assists builders and developers to design and build housing that is 40 to 50% more energy efficient than the model energy code requires. The EDHA sought the only Energy Star builder in the region to be a part of the development team. The team included EDHA staff, the contractor, Building America staff, DCS staff, and Grand Forks Urban Development staff, with additional input from realtors, appraisers, and lenders. The team developed a home plan intended to maximize marketability, affordability and meet the Building America standards for energy efficiency.

EDHA broke ground on the first four homes at Selkirk Circle in October 2002, with a construction loan from Fannie Mae added to the financing package. Construction continued through a very cold North Dakota winter, which reminded everyone why energy efficiency is so important. To date, two homes are sold and sales are pending on the remaining two. Construction on the next four homes began in June 2003. An additional 14 Energy Star homes are expected to be built in the neighborhood over the next two to three years.

The sale price for the homes is \$115,000. Financing for home buyers includes up to \$20,000 in a soft second mortgage from the EDHA as well as some local incentives from the City of Grand Forks. The North Dakota
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Selkirk Circle Energy Efficient Twin Homes

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Selkirk Circle *(continued from page 1)*

Housing Finance Agency was also able to provide a 2% interest rate buydown on first time homebuyer loans for those who chose to finance through them.

Govig says that the project combines affordability, efficiency, and cooperation. "The Eastern North Dakota Housing Alliance has taken the lead, and brought the project from the drawing board to fruition rapidly. They are to be commended for the project." •

Best Practices

North Dakota's Weatherization Program has steadily evolved in effectiveness over the years, but recent program refinements have taken the program to a new level, through the creation of a set of field standards which will be used uniformly across the state.

Through the Weatherization Program, homes of low-income clients receive services to reduce total energy expenditures and improve their health and safety.

The weatherization program is administered through the Division of Community Services, which funnels money from the U.S. Department of Energy and the North Dakota Department of Human Services to regional community action agencies. The agencies in turn have highly trained weatherization crews on staff to actually complete the work.

Over the years, the program has evolved from rather rudimentary work, weatherization administrator Howard Sage says. Based on the new field standards, work crews now use new state-of-the-art technology, including blower doors, infrared scanners, and duct blasters to increase the energy efficiency of the homes being weatherized.

The field standards put together procedures which came to be known as "Best Practices," which are understandable, workable field standards for weatherization crews.

Last fall, about a hundred community action weatherization crew members were trained on following

field standards. Following the first round of training, and significant peer-to-peer exchanges, the guidelines were fine tuned into the final document.

In April at the national "Affordable Comfort" conference in Kansas City, MO, Sage presented the final Best Practices program as a model for the rest of the nation.

North Dakota spends about \$4.7 million each year weatherizing between 1,400 and 1,500 homes a year, and replaces defective heating systems in another 500.

The clients are largely people receiving home heating assistance, and must meet strict low-income guidelines. Most areas have waiting lists for the services.

On average, clients save 25-27% on home heating bills after weatherization. •

Howard Sage Re-elected

Howard Sage, the Weatherization Program Administrator in the Division of Community Services, was re-elected to the Board of Trustees of the Public Employees Retirement System. The System's Board consists of a Chairman appointed by the Governor, one member from the North Dakota State Health Department and the Attorney General, three members elected from the active membership, and one member elected by retired public employees.



Howard Sage Re-elected to Public Employees Retirement System

Sage was first elected to the Board in 1984, and since 1989, he has been a representative on the State Investment Board, which makes investment decisions for a number of retirement programs. •

Darin Scherr Elected President

Darin Scherr, State Energy Engineer for the Division of Community Services, was elected President of the North Dakota Association of Facilities Managers at the spring meeting.

Scherr previously served the past two years as Vice President. •



Third-party Inspections Program Begins

A brand new program regulating the construction of modular residential and commercial structures built in a factory began on August 1, 2003, in North Dakota. The law creating this program, N.D.C.C. 54-21.3-07, was passed by the Legislature in 2001. The purpose of the law is to assure that modular buildings (not mobile homes) built in a factory and installed in North Dakota meet all applicable state building and related codes, as well as any local code amendments to the North Dakota State Building Code.

These buildings are fully constructed in a factory, which means that when they arrive in a North Dakota city or county area, they cannot be inspected for code compliance because everything is closed up. Under this program, manufacturers who produce six or more modular structures in a year, even if only one or two go to North Dakota, must hire a certified third-party agency to approve building designs and to inspect construction. Buildings built under this program, once approved by a certified third-party, will be labeled and will automatically be accepted in local jurisdictions as being in compliance with all applicable building codes.

When these types of buildings arrive in a jurisdiction, local and state inspectors are encouraged to do a walk-through to look for obvious problems and to report them to the DCS. When owners find a problem, they too are asked to report them. A consumer complaint form is available at the DCS web site, www.state.nd.us/dcs. The site also contains the state's Administrative Rule and the Uniform Administrative

Procedures of the Industrialized Buildings Commission (IBC) that is implemented by our program.

While all cities and counties will benefit from this program, the biggest winners will be those consumers who purchase a modular building and install it in a community that does not do building code enforcement. They will at least know from the labels provided that the building plans have been evaluated for compliance with all state codes and that the building has been built according to those plans. This will greatly enhance the comfort level of each owner knowing that the building is properly built and safe to use.

For more information, contact Richard Gray at 328-3698 or at rgray@state.nd.us. •

ND Campus Wind Energy Study

A contractor has been selected to conduct a wind energy study involving four North Dakota college campuses, Energy Program Manager Kim Christianson announced. The contractor, EAPC Engineers Architects of Grand Forks has worked extensively on wind-related projects in recent years.



The study will evaluate the feasibility of using wind-generated electricity to provide for part of the electrical needs of the campuses. The colleges involved are Bismarck State College, the University of North Dakota, North Dakota State University, and the State College of Science.

"This study will dovetail two subjects in which our office has particular interest. We have a longstanding relationship with the physical plant directors of state facilities and are interested in helping them in minimizing their energy expenses. At the same time, we have been working to promote the development of renewable energy in the state," Christianson said.

"DCS has worked to facilitate wind resource development in the state, primarily through resource assessments. This study will take the evaluation to the next

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Wind Energy *(continued from page 3)*

level.” The economics will be evaluated for each site as well as evaluating the wind resource.

“Wind energy seems most appropriate when it can partially offset an existing steady electrical load,” Christianson said. The study will look at the specific electrical loads of each campus, interconnection costs, and any environmental implications. It will also make suggestions as to specific possibilities for integrating wind technology into existing courses or programs. •

Complaints About Manufactured (Mobile) Homes

The North Dakota Division of Community Services (DCS) may now receive and process consumer complaints regarding the construction of manufactured (mobile) homes.

On May 9, 2003, the Federal Department of Housing and Urban Development (HUD) designated North Dakota as a “conditionally” approved State Adminis-

trative Agency (SAA). Paul Govig, Director of the DCS, is the actual designated SAA, while Richard Gray serves as the administrator.

As a conditionally approved SAA, the state will receive consumer complaints, and since there are no manufacturers of manufactured homes in North Dakota, the complaints will be forwarded for action to the manufacturer and the SAA of the state in which the manufacturer is located. That state SAA will be responsible for making sure that the manufacturer has responded to the complaint and has made the determination of who is responsible. If the manufacturer is responsible, it must take the necessary steps to resolve the complaint.

A consumer complaint form is available at www.state.nd.us/dcs, or please contact Richard Gray at (701) 328-3698 or at rgray@state.nd.us to obtain a form.

Also available at the Division of Community Services is a brochure entitled, “The Manufactured Home Consumer’s Guide.” •



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